

Sprint in streaming deal to boost fledgling Tidal (Update)

January 23 2017, by Shaun Tandon



Jay Z and other top names in music unveiled Tidal in March 2015, promising to give artists greater control in the fast-growing industry of streaming, which allows unlimited, on-demand listening

Telecom giant Sprint said Monday it would buy one-third of rap mogul Jay Z's Tidal streaming platform, breathing new life into a service whose star power has failed to translate into market dominance.

Sprint, which is owned by Japan's Softbank Corp. and is the fourth-largest mobile service provider in the United States, plans to roll out Tidal content exclusives for the carrier's customers.

A joint statement did not reveal the size of the deal but music industry magazine Billboard said the 33 percent stake in Tidal was worth \$200 million.

Jay Z and other top names in music—including Madonna, Daft Punk and Coldplay's Chris Martin—in March 2015 unveiled Tidal, promising to give artists greater control in the fast-growing industry of streaming, which allows unlimited, on-demand listening.

Tidal has sought to win customers by providing original content and early releases from Tidal's superstar artists including Jay Z's wife Beyonce and rapper Kanye West. It is the only streaming site to offer late pop icon Prince's catalog.

But Spotify, based in Stockholm, remains by far the biggest force in streaming with more than 40 million paying subscribers.

Under the deal, Jay Z and other artists will remain in charge of Tidal and Sprint's chief executive officer, veteran telecom entrepreneur Marcelo Claure, will sit on its board.

"Sprint shares our view of revolutionizing the creative industry to allow artists to connect directly with their fans and reach their fullest, shared potential," Jay Z said in a statement.



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Two firms looking for growth

Since Tidal's launch, it has faced heated competition. Tech behemoth Apple within months launched its own streaming service, which has become the world's number two but still has only around half the paid subscriptions of Spotify.

Retail leader Amazon recently entered the streaming wars, launching a service that undercuts Spotify and Apple Music on price and targets a mainstream rather than hip clientele.

Other rivals include France's Deezer which maintains a strong presence in continental Europe.

Tidal has marketed itself as the choice for audiophiles through higher-quality files than most rivals, but its premier service—at \$19.99 a month in the United States—is twice as expensive.

Jay Z bought Tidal in 2014 from Aspiro, a Norwegian company that is listed in Sweden, for \$56 million—meaning, in light of the figure reported for the Sprint deal, that he likely has come out well.

Tidal said in early 2016 that it had three million paying subscribers, although Norwegian business newspaper Dagens Naeringsliv recently alleged that the figure was inflated.

Softbank's flamboyant billionaire chief Masayoshi Son has sought to invest aggressively around the world and bought 80 percent of Sprint for \$22 billion in 2013.

Sprint has languished in recent years but has recently seen an uptick in customers. As of September, Sprint had 60 million US connections through brands such as Virgin Mobile USA, Boost Mobile, and Assurance Wireless.

Son—who has also set his sights on T-Mobile, the third largest US mobile provider—recently met President Donald Trump and promised strong investment in the United States.

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